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Mr. Barry Cooke,  
Strategic Asset Management Service,  
Isle of Wight Council,  
County Hall, High Street, Newport,  
Isle of Wight,  
PO30 1UD

28<sup>th</sup> April 2012

Dear Mr Cooke

**Re: Stag Lane – Potential Site for a 49MWe Biomass CHP Unit**

In line with the discussions recently held with you, I would like to reiterate our firm commitment to the biomass project at Stag Lane. As you are aware, we have invested and continue to invest a very significant amount of our Company's financial resources (in employing specialist advisers and contractors) and its own time on the Stag Lane project. We hope (and believe) that this fully conveys our intentions to develop the site.

The Stag Lane site has presented major issues in land investigation works prior to the preparation and submission of a planning application. It also presents similarly significant issues with the determination of land remediation requirements prior to and during construction and operational activities of the project. Our approach to this will also need to be fully detailed within the planning application. For these reasons (more fully explained in the attached note) it will not be realistic for us to make a planning application until towards the end of this year, at the earliest. On this basis we confirm our verbal request for an extension of our current exclusive position on the site for at least a year.

Further to this, we request that, subject to the extension of the exclusive position, we immediately enter into negotiations with the Council to secure a purchase option for the site. We suggest the option should be valid for 2 years and that together we should look to complete negotiations and take the option to signing<sup>1</sup> within a three month period (and prior to the final preparation of the planning application).

This option would run alongside a lease option of similar duration that we have negotiated with Queen's College, Oxford, for additional land required for the fuel conveyor route from the River Medina and for the provision of environmental habitat nearby which has been agreed after serious engagement with Natural England. Our rationale is that we need to prepare to enter these two land options on a concurrent basis as we need both to enable us to deliver the biomass project.

Yours sincerely,

Ray Tucker  
CEO



<sup>1</sup> The company that would sign and pursue the purchase option and make the planning application would be "Real Ventures (IoW) Ltd"

## **Notes on Stag Lane Progress**

**27<sup>th</sup> April 2012**

Preparatory to completing a planning application for a 49MWe biomass unit at Stag Lane activities have continued with:

1. Site monitoring (ongoing)
2. Formal risk assessment (almost completed)
3. Waste permitting discussions with the Environment Agency (ongoing)

In the first instance, site monitoring, on a programme agreed with the Environment Agency ('EA'), is ongoing. It has provided sufficient information to indicate that our intention to clear a construction area for the biomass unit on the eastern area of the site, by removal of old landfill waste deposits there and re-emplacment of those deposits over existing waste on the western area of the site, is achievable from practical and risk management perspectives. This preparatory work was necessary to allow informed discussion with the EA on the future permitting of the waste on site and to subsequently allow them to consider a planning application which would include a land management and remediation programme.

The activities undergone to date and predicted for the rest of this year are attached (Table 1).

**Table 1 : Stag Lane Landfill Site – Update on land investigation and landfill permitting discussions (as of 28<sup>th</sup> April 2012)**

December 2010	RV opened discussions with the EA and IoWC on site investigation requirements, prior to submission of a planning application
6 <sup>th</sup> May 2011	A programme to monitor ground gas and leachate water and to examine samples of waste deposits agreed with the EA: 1. Boreholes for ground gas and leachate monitoring to be put in place at 10 agreed locations and depths. 2. 7 trial pits to be excavated within the landfill mass to allow preliminary examination of waste deposits.
25 <sup>th</sup> May 2011	Boreholes put in place and trial pit work completed by GEL. Site monitoring commences by GEL (and is ongoing).
27 <sup>th</sup> July 2011	Meeting with EA at Colden Common offices to review initial site monitoring data. Conclusion was that sufficient data had been collected from boreholes to satisfy the production of formal Risk Assessments, necessary to satisfy the EA's requirements for a planning application.
12 <sup>th</sup> August 2011	WYG engaged by RV to review landfill licensing options and carry out Risk Assessments etc, based on interim report from GEL (below).
28 <sup>th</sup> September 2011	Interim report from GEL
23 <sup>rd</sup> March 2012	Waste Permitting discussion with EA. Informed by the formal Risk Assessment work (as above) discussion at EA Colden Common, Hampshire offices. Point reached whereby it was agreed that RV would, with support from WYG, produce a formal proposal on (1) Site Remediation and (2) Waste Permitting for the EA to consider.
May 2012	The above proposal to be submitted by RV to the EA.
Mid/late July 2012	EA response to the above. (Indications at the 23 <sup>rd</sup> March meeting were that it would be some 6 to 8 weeks for the EA to respond to a proposal as they would need to take advice from their national experts before formally replying.)
August 2012	Subject to the nature of the response to RV's proposal from the EA, RV would commission the preparation of updated planning application documentation.
4Q2012	Earliest likely date for a planning application to be submitted by RV to IoWC (subject to the above).

KEY to Abbreviations:

EA = Environment Agency

RV = Real Ventures Ltd

GEL = Geotechnical Engineering Ltd (Specialist contractors to RV on land investigation and monitoring)

WYG = WYG Ltd (Specialist advisors to RV on management of landfill environmental risks, management and licensing)

IoWC = Isle of Wight Council

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